

Sept 12, 2002
Press Release

Federal Court Dismisses Philip Morris Lawsuit That Challenged Star Scientific Patent for Reducing Cancer-Causing Toxins

Patent Infringement Lawsuits Against RJ Reynolds Consolidated

Star Scientific Inc. (NASDAQ:STSI) announced this morning that the U.S. District Court for the Eastern District of Virginia issued a Memorandum Opinion yesterday dismissing a lawsuit recently filed against Star by Philip Morris. On June 28, Philip Morris filed a lawsuit with the federal court in Richmond, Virginia seeking a declaratory judgment that would invalidate a patent licensed exclusively to Star relating to the StarCured(TM) tobacco curing process. The StarCured(TM) process interferes with the formation of a group of toxins, known as tobacco specific nitrosamines (TSNAs), that occurs during traditional curing. On July 29, Star filed a motion to dismiss this lawsuit on the basis that no actionable controversy exists between the companies. Star, which currently is prosecuting patent infringement claims against RJ Reynolds, had advised Philip Morris that it had no plans to initiate any action against that entity prior to a full evaluation of Philip Morris' activities.

Paul L. Perito, Star's Chairman, President and COO, commented: "We are very gratified by the Court's review of the law regarding Star Scientific's rights in protecting its intellectual property. The rights that judicial precedent affords to patent holders, to enforce their rights in an orderly fashion, is of great importance to a small, technology-oriented tobacco company like ours, which has invested the bulk of its resources in the development and scaling up of a process that has stimulated positive change within the industry. Our mission has focused from the beginning on reducing adult tobacco users' exposure to TSNAs, which scientists worldwide believe are one of the most powerful groups of cancer-causing agents in tobacco leaf and smoke."

"We signaled our commitment to the protection of the patents licensed exclusively to us by initiating patent infringement litigation against R.J. Reynolds in U.S. District Court in Maryland." In dismissing the Philip Morris lawsuit, the Court in Richmond noted that "since the proceeding pending in the...District of Maryland involves identical, or nearly identical issues, the Court finds that it is neither necessary nor proper to issue the declaration in this instance."

Mr. Perito continued, "After the award on July 30 of another patent relating to the StarCured(TM) process to which Star is the exclusive licensee, our attorneys filed a second complaint regarding Reynolds' infringement based on that continuation patent, and shortly thereafter we moved to consolidate those actions. The motion to consolidate the two actions in the U.S. District Court for the District of Maryland was granted on August 26, 2002. The court thereafter set a fact discovery deadline of January 31, 2003. While a trial date has not been set, we anticipate that these lawsuits will proceed to trial before the end of 2003."

Jonnie R. Williams, Star's co-founder and the inventor of the StarCured(TM) process, stated: "We are understandably proud of what we have accomplished in consistently producing flue-cured tobacco with dramatically reduced toxin levels. It has been our intent from the outset to encourage the industry to adopt this standard, which we believe reduces exposure to tobacco-related diseases, through sublicensing agreements with us. Brown & Williamson, the third largest cigarette manufacturer in the United States, voluntarily entered into a sublicensing agreement relating to the StarCured(TM) process. It is our intent to protect the enormous investment we have made in both our technology and in the

products it yields, so that we can deliver significant long-term value for our stockholders." This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the challenges inherent in new product development initiatives particularly in the smokeless tobacco area, the uncertainties inherent in the progress of scientific research, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, risks associated with litigation regarding such intellectual property, potential delays in obtaining any necessary government approvals of the Company's low-TSNA tobacco products, market acceptance of the Company's proposed new smokeless tobacco products, competition from companies with greater resources than the Company, the Company's decision not to join the Master Settlement Agreement ("MSA") and its decision to challenge the constitutionality of the MSA, the effect of state statutes adopted under the MSA and any subsequent modification of the MSA, the Company's dependence on key employees and on its strategic relationships with Brown & Williamson Tobacco Corporation. The impact of potential litigation, if initiated against or by individual states that have adopted the MSA, could be materially adverse to the Company.

See additional discussion under "Factors That May Affect Future Results" in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission, available at
HYPERLINK "<http://www.sec.gov>"
www.sec.gov

. The Company undertakes no obligation to update or advise upon any such forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

About Star Scientific

Star Scientific is a technology-oriented tobacco company with a toxin reduction mission. It is engaged in the development of tobacco products that deliver fewer carcinogenic toxins (principally tobacco specific nitrosamines, or TSNAs), through the utilization of the innovative StarCured(TM) tobacco curing technology, and in sublicensing that technology to others. Star Scientific has a Corporate and Sales Office in Chester, VA, an Executive, Scientific & Regulatory Affairs office in Bethesda, MD, and manufacturing and processing facilities in Petersburg and Chase City, VA.

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